Members of Parliament and otherwise, seeking exemption on cycles and the parts and accessories of cycle and cycle rickshaws from the *4%* excise levy as this levy will adversely effect the industry.

(b) and (c) In order to achieve a simple, equitable and rational tax structure, a nominal duty of 4% was imposed on large number of items, including bicycles and its parts and accessories which were hitherto exempt from excise duty. However, having regard to these representations, the Government have exempted parts and accessories of cycles and cycle rickshaws from the 4% excise levy with effect from 27th April, 2002.

Customs Duty evasion by firms

5011. SHRIRAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) the figures of evasion of Customs Duty by firms operating under the various export promotion schemes since 1995, year-wise and scheme-wise;

(b) whether any defaulting firms/offenders have been prosecuted/ punished for evasion of Customs Duty; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN). (a) to (c) The information is being collected and will be laid on the Table of the House.

Constitution of Twelfth Finance Commission

5012. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to constitute the Twelfth Finance Commission soon;

(b) if so, whether views of State Governments have been taken into consideration before constituting the Twelfth Finance Commission;

(c) what is the constitution of the Commission; and

(d) by when this Commission is likely to submit its recommendation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) The State Governments have been asked to send their views/comments on the terms of reference of the Twelfth Finance Commission. Their views/

comments will be taken into consideration while finalising the terms of reference of the Commission.

(c) The Constitution of the Commission is yet to take place.

(d) The Commission would be asked to submit its recommendations before the commencement of the financial year 2005-2006.

Hike in motor insurance rates

5013. SHRIC. **P.** THIRUNAVUKKARASU. Will the Minister of FINANCE be pleased to state:

(a) whether Government are against the hike in motor insurance rates;

(b) if so, the reasons therefor;

(c) whether Government have received the Ansari Committee Report on raising motor insurance premium;

(d) if so, the details thereof and Government's reaction thereto; and

(e) if not, by when the report is expected?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The premium rates for general insurance including motor insurance are fixed by the Tariff Advisory Committee (TAC), a Statutory Body established under the Insurance Act, 1938, which functions under direct charge of Chairman, Insurance Regulatory and Development Authority (IRDA).

(c) to (e) In its Meeting held on 10th January, 2001, the TAC had constituted a Committee under the Chairmanship of Shri H. Ansari to review and rationalise the India Motor Tariff. As the Committee was constituted by the TAC and not by the Government, the Committee is not expected to submit its report to the Government. The Ansari Committee has since submitted its Report to the TAC.

Suggestion of F1CCI for economic growth

5014. SHRI RUMANDLARAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Federation of Indian Chambers of Commerce and Industry has urged Government that they should take steps to stimulate investment and demand to come out of the present economic slowdown;

(b) if so, whether the quality of Government expenditure should be such as to add to the assets and improve efficiency of the system for improving competitiveness of the system;